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Proposed Attorney for Debtor-in-Possession,
Mr. Tortilla, Inc.

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
SAN FERNANDO VALLEY DIVISION

In re

MR. TORTILLA, INC.,

Debtor-in-Possession.

Case No.: 1:24-bk-10228-VK

Chapter 11

**DEBTOR'S STATUS
CONFERENCE REPORT;
DECLARATION OF ANTHONY
ALCAZAR IN SUPPORT THEREOF**

Date: April 11, 2024
Time: 1:00 P.M.
Place: Courtroom 301
21041 Burbank Blvd.
Woodland Hills. CA 91367

**TO THE HONORABLE VICTORIA S. KAUFMAN, JUDGE OF THE
UNITED STATES BANKRUPTCY COURT, TO THE UNITED STATES
TRUSTEE AND TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS
OF RECORD:**

On behalf of Mr. Tortilla, Inc. ("Debtor"), debtor and debtor-in-possession herein,
the Law Offices of Michael Jay Berger ("Debtor's Counsel") hereby submits the
following Status Conference Report ("Status Report"), as follows:

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1. **BRIEF DESCRIPTION OF DEBTOR'S BACKGROUND, BUSINESS, AND**
DEBTOR'S PRINCIPAL ASSETS AND LIABILITIES

On February 14, 2024 (the "Petition Date"), the Debtor commenced the Chapter 11 Case by filing a voluntary petition under chapter 11 of the Bankruptcy Code. The Debtor operates its business and manage its property as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No official committee of unsecured creditors has been appointed in the Case.

The Debtor is a California corporation which is wholly owned by brothers Anthony and Ronald Alcazar. The Debtor owns and operates a tortilla manufacturing and food processing business located in San Fernando -- Mr. Tortilla -- which was started in 2012. Anthony owns 81% of the shares and is the President and CEO. Ronald owns 19% of the shares and is the CFO.

The Debtor specializes in preparing traditional flour tortillas that are low fat, low calorie, low sodium and are free of cholesterol and trans-fat; the tortillas are unique as they are flexible and do not break or stick. Popular flavors include: Gourmet White; Whole Wheat; Honey Wheat; Tomato & Basil; Savory Spinach; Chipotle; Jalapeño. In addition to traditional flour tortillas, Debtor produces low-carbohydrate tortillas for low-carb and keto dieters.

The Alcazar Brothers decided to start Mr. Tortilla as one of their fondest childhood memories is that of their mother preparing flour tortillas on a flat griddle called a comal. The Debtor sells its tortillas to distributors and wrap manufacturers, and through online retailers such as Amazon.com and others. Debtor's product is the top selling tortilla on Amazon.com.

Debtor's assets include cash in the accounts, receivables from Amazon and other parties, inventory, equipment, office furniture, fixtures, a refrigerated truck and a 2007 Honda Element. Debtor's assets have an estimated value of \$1,830,573.67 as of the petition date.

Debtor's secured creditors include holders of merchant cash advance loans, Amazon loan, equipment finance loans with claims estimated at \$8,953,129.26. Debtor's priority creditors include the Internal Revenue Service and Employment Development Department with estimated scheduled claims totaling \$754,674.65. Debtor's general unsecured creditors include vendors, delinquent rent, credit cards, legal fees for an estimated \$4,256,866.98 claim total.

**2. BRIEF DESCRIPTION OF THE EVENTS THAT LED UP TO FILING
THE INSTANT BANKRUPTCY**

The events precipitating the Debtor's current Chapter 11 bankruptcy include Debtor's holders of merchant cash advances intercepting the Debtor's receivables.

3. BRIEF QUESTIONS AND ANSWERS

(a) Whether Debtor is in Compliance with All Duties Under 11 USC 521, 1106 and 1107

Debtor is in substantial compliance with all its duties under the 11 U.S.C. §§ 521, 1106, and 1107 and all applicable guidelines of the United States Trustee's Office ("OUST"). The following items need to be addressed: (1) a legible copy of the lease for 1110 Arroyo Street needs to be resubmitted to OUST; (2) final closing statements for the pre-petition accounts need to be provided to OUST upon receipt. Debtor submitted proof that the pre-petition accounts are closed and is waiting to receive the final closing statements from the banks; (3) copies of the deposit slips for the initial opening deposits for the DIP accounts. Debtor will have these outstanding items addressed by the hearing date.

(b) Whether Debtor is Using Cash that any Party Claims as its Cash Collateral

Debtor is using cash that a party claims as its cash collateral. On February 20, 2024, the Debtor filed an Emergency Motion for Use of Cash Collateral [docket no.: 12]. On March 5, 2024, the Court entered an Order Granting Debtor's Cash Collateral Motion on an Interim Basis [docket no.: 57] and continuing the hearing to March 7, 2024. On March 13, 2024, the Court entered an Order Authorizing Further Continued Use of Cash Collateral [docket no.: 85] and setting a continued hearing for May 30, 2024 at 1:30 p.m.

(c) Whether Debtor is a Small Business Debtor as Defined in 11 USC 101 (51D)

Debtor is not a small business debtor as defined in 11 U.S.C. 101 (51D).

(d) Whether This Case Qualify As a Single Asset Real Estate Case

Debtor's case does not qualify as a single asset real estate case.

(e) Principal Business, Financial and Legal Disputes or Problems to be Resolved

- Obtaining UCC lien release notices from creditors in order to have an uninterrupted cash flow;
- Entering into repayment agreement with Amazon and other creditors;
- Negotiating lease assumptions and cure of pre-petition arrears with the landlords;
- Negotiating new contracts for sale of its tortilla products in order to generate the funds needed to support a feasible plan.

(f) When Does Debtor Anticipate Resolving Those Disputes

Within the next 6 months.

(g) What is the Best Method to Resolve those Disputes or Problems

Expediently and Cost-Effectively

1 The best method to resolve these disputes is through negotiations with the
2 creditors.

3
4 4. **IDENTIFICATION OF ALL PROFESSIONALS RETAINED BY OR**
5 **INTENDED TO BE RETAINED BY THE ESTATE**

6 Debtor's Counsel filed and served its Application for Order Authorizing Debtor to
7 Employ General Bankruptcy Counsel (the "Application") on February 26, 2024 [docket
8 no. 36]. Debtor filed the Declaration of Non-Opposition on March 28, 2024 and
9 uploaded the order. The services Debtor's Counsel has provided and will continue to
10 provide include preparing the schedules, statement of financial affairs, first day motions,
11 advising Debtor of the post-petition procedures, assisting the Debtor with the compliance
12 documents requested by the Office of the United States Trustee, reviewing and objecting
13 to claims, preparing motions that affect the Debtor and preparing the Debtor's Disclosure
14 Statement and Plan of Reorganization.

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18 5. **EVIDENCE OF DEBTOR'S PRE-PETITION INCOME**

19 Debtor has not prepared its actual income, expenses and cash flow for the last six
20 month preceding the filing of this case on a month-to-month basis. Once completed, the
21 Debtor will submit a copy with subsequent status report.

22
23 6. **PROVIDE A BUDGET OF DEBTOR'S PROJECTED INCOME,**
24 **EXPENSES AND CASH FLOW FOR THE FIRST SIX MONTHS OF THIS**
25 **CASE ON A MONTH TO MONTH BASIS**

26 Debtor's six-month projected income and expense statement is attached hereto as
27 **Exhibit-1.**
28

1 7. **DISCUSS ANY SIGNIFICANT UNEXPIRED LEASES AND EXECUTORY**
2 **CONTRACTS TO WHICH THE DEBTOR IS A PARTY AND THE**
3 **DEBTOR'S INTENTION WITH REGARD TO THESE LEASES AND**
4 **CONTRACTS**

6 The Debtor is a party to the following lease agreements:

7 (i) Lease for property located at 1112 Arroyo St. Ste. B, San Fernando Valley, CA
8 91340. It's a warehouse space (2169 sq. ft) with a small office. Lease commence 6/1/2022
9 and will terminate 5/31/2027. Monthly payment is \$3,798. Security deposit is \$4,200.

10 (ii) Lease for property located at 1104 Arroyo St., San Fernando, CA 91340. The
11 property is a 5200 sq. ft warehouse with small office. Lease commence 10/1/2020, lease
12 termination 9/30/2025. Monthly lease is \$6,534. Security deposit is \$7,000.

13 (iii) Lease for property located at 1112 Arroyo St. Ste. A, San Fernando Valley,
14 CA 91340 for a tortilla manufacturing warehouse (5200 sq. ft). Lease commence
15 6/1/2016 and will terminate in on 9/30/2025. Current monthly payment is \$7,036.

16 (iv) Lease for property located at 8134 Lankershim Blvd., North Hollywood, CA
17 91605. The premises is used for food production. Lease commence 9/15/2022. Lease
18 termination 10/31/2027. Monthly rent is \$17,510.00. Security deposit is \$34,000. On
19 March 25, 2024, the Debtor entered into a Stipulation with the landlord to reject the lease
20 [doctet no.: 103]. On March 28, 2024, the Court entered an order approving the
21 stipulation [doctet no.: 107].
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(v) Sublease for property located at 1110 Arroyo St., San Fernando, CA 91340.
The property is used as an office space (appx. 1875 sq. ft). Lease commence: 11/1/2020.
Lease termination 10/31/2024. Monthly rent is \$2,400.00. Security deposit is \$2,065.50.

(vi) Executory contract with Perpetua Labs, Inc. for managed services for displays
and video advertising using Amazon Demand Side Platform. On March 21, 2024, the
Debtor entered into Joint Stipulation To Reject Executory Contract With Perpetua Labs,
Inc. [docket no.: 96], which the court approved on March 25, 2025 [docket no.: 102].

8. **PROPOSED DEADLINE FOR FILING PROOFS OF CLAIM AND**
DISCLOSURE STATEMENT AND PLAN OF REORGANIZATION

The deadline for filing claims is set for May 31, 2024 [see Order at docket no.:
86].

The exclusivity deadline for Debtor to file the Disclosure Statement and Plan of
Reorganization is June 13, 2024. If the Debtor is not able to file its Plan and Disclosure
Statement by this date, the Debtor will file a motion to extend the exclusivity period.

LAW OFFICES OF MICHAEL JAY BERGER

Dated: March 28, 2024

By: /s/ Michael Jay Berger

Michael Jay Berger
Attorney for Debtor,
Mr. Tortilla, Inc.

DECLARATION OF ANTHONY ALCAZAR

I, Anthony Alcazar, declare and state as follows:

1. I am the President and Director of Mr. Tortilla, Inc., the Debtor and Debtor-in-Possession (the "Debtor"). I am over the age of 18. I have personal knowledge of the facts I state below, and if I were to be called as a witness, I could and would competently testify about what I have written in this declaration.

2. On February 14, 2024 (the "Petition Date"), the Debtor commenced the Chapter 11 Case by filing a voluntary petition under chapter 11 of the Bankruptcy Code. The Debtor operates its business and manage its property as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No official committee of unsecured creditors has been appointed in the Case.

3. The Debtor is a California corporation which is wholly owned by my brother Ronald Alcazar and I. The Debtor owns and operates a tortilla manufacturing and food processing business located in San Fernando -- Mr. Tortilla -- which was started in 2012. I own 81% of the shares and am the President and CEO. Ronald owns 19% of the shares and is the CFO.

4. The Debtor specializes in preparing traditional flour tortillas that are low fat, low calorie, low sodium and are free of cholesterol and trans-fat; the tortillas are unique as they are flexible and do not break or stick. Popular flavors include: Gourmet White; Whole Wheat; Honey Wheat; Tomato & Basil; Savory Spinach; Chipotle; Jalapeño. In addition to traditional flour tortillas, Debtor produces low-carbohydrate tortillas for low-carb and keto dieters.

5. My brother and I decided to start Mr. Tortilla as one of our fondest childhood memories is that of our mother preparing flour tortillas on a flat griddle called a comal. The Debtor sells its tortillas to distributors and wrap manufacturers, and through

1 online retailers such as Amazon.com and others. Debtor's product is the top selling
2 tortilla on Amazon.com.

3 6. Debtor's assets include cash in the accounts, receivables from Amazon and
4 other parties, inventory, equipment, office furniture, fixtures, a refrigerated truck and a
5 2007 Honda Element. Debtor's assets have an estimated value of \$1,830,573.67 as of the
6 petition date.

7 7. Debtor's secured creditors include holders of merchant cash advance loans,
8 Amazon loan, equipment finance loans with claims estimated at \$8,953,129.26. Debtor's
9 priority creditors include the Internal Revenue Service and Employment Development
10 Department with estimated scheduled claims totaling \$754,674.65. Debtor's general
11 unsecured creditors include vendors, delinquent rent, credit cards, legal fees for an
12 estimated \$4,256,866.98 claim total.

13 8. The events precipitating the Debtor's current Chapter 11 bankruptcy
14 include Debtor's holders of merchant cash advances intercepting the Debtor's
15 receivables.

16 9. Debtor is in substantial compliance with all its duties under the 11 U.S.C.
17 §§ 521, 1106, and 1007 and all applicable guidelines of the United States Trustee's
18 Office ("OUST"). The following items need to be addressed: (1) a legible copy of the
19 lease for 1110 Arroyo Street needs to be resubmitted to OUST; (2) final closing
20 statements for the pre-petition accounts need to be provided to OUST upon receipt.
21 Debtor submitted proof that the pre-petition accounts are closed and is waiting to receive
22 the final closing statements from the banks; (3) copies of the deposit slips for the initial
23 opening deposits for the DIP accounts. Debtor will have these outstanding items
24 addressed by the hearing date.

25 10. Debtor is using cash that a party claims as its cash collateral. On February
26 20, 2024, the Debtor filed an Emergency Motion for Use of Cash Collateral [docket no.:
27 12]. On March 5, 2024, the Court entered an Order Granting Debtor's Cash Collateral
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1 Motion on an Interim Basis [docket no.: 57] and continuing the hearing to March 7, 2024.
2 On March 13, 2024, the Court entered an Order Authorizing Further Continued Use of
3 Cash Collateral [docket no.: 85] and setting a continued hearing for May 30, 2024 at 1:30
4 p.m.

5 11. Debtor is not a small business debtor as defined in 11 U.S.C. 101 (51D).

6 12. Debtor's case does not qualify as a single asset real estate case.

7 13. The principal Business, Financial and Legal Disputes or Problems to be
8 Resolved are: obtaining UCC lien release notices from creditors in order to have an
9 uninterrupted cash flow; entering into repayment agreement with Amazon and other
10 creditors; negotiating lease assumptions and cure of pre-petition arrears with the
11 landlords; negotiating new contracts for sale of its tortilla products in order to generate
12 the funds needed to support a feasible plan. The Debtor anticipates resolving these
13 disputes within the next 6 months through negotiations with the creditors.

14 14. Debtor's Counsel filed and served its Application for Order Authorizing
15 Debtor to Employ General Bankruptcy Counsel (the "Application") on February 26, 2024
16 [docket no. 36]. Debtor filed the Declaration of Non-Opposition on March 28, 2024 and
17 uploaded the order. The services Debtor's Counsel has provided and will continue to
18 provide include preparing the schedules, statement of financial affairs, first day motions,
19 advising Debtor of the post-petition procedures, assisting the Debtor with the compliance
20 documents requested by the Office of the United States Trustee, reviewing and objecting
21 to claims, preparing motions that affect the Debtor and preparing the Debtor's Disclosure
22 Statement and Plan of Reorganization.

1 15. Debtor has not prepared its actual income, expenses and cash flow for the
2 last six month preceding the filing of this case on a month-to-month basis. Once
3 completed, the Debtor will submit a copy with subsequent status report.
4

5 16. Debtor's six-month projected income and expense statement is attached
6 hereto as Exhibit-1.
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8 17. The Debtor is a party to the following lease agreements:

9 (i) Lease for property located at 1112 Arroyo St. Ste. B, San Fernando Valley, CA
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11 and will terminate 5/31/2027. Monthly payment is \$3,798. Security deposit is \$4,200.
12

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6 and video advertising using Amazon Demand Side Platform. On March 21, 2024, the
7 Debtor entered into Joint Stipulation To Reject Executory Contract With Perpetua Labs,
8 Inc. [docket no.: 96], which the court approved on March 25, 2025 [docket no.: 102].
9

10 18. The deadline for filing claims is set for May 31, 2024 [see Order at docket
11 no.: 86]. The exclusivity deadline for Debtor to file the Disclosure Statement and Plan of
12 Reorganization is June 13, 2024. If the Debtor is not able to file its Plan and Disclosure
13 Statement by this date, the Debtor will file a motion to extend the exclusivity period.
14

15 I declare under penalty of perjury that the foregoing is true and correct and that
16 this declaration is executed on March 28, 2024 at San Fernando, California.
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20 Anthony Alcazar
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EXHIBIT-1

REVISED Projected 6 Months Income and Expenses - Mr. Tortilla, Inc.

Income	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Comments
Amazon FBA Inventory Credit	\$3,949.20	\$4,107.17	\$4,271.45	\$4,442.31	\$4,620.00	\$4,804.81	
Amazon Gift wrap credits	\$3.33	\$3.46	\$3.60	\$3.74	\$3.89	\$4.05	
Amazon Promotional Rebate Refunds	\$569.45	\$592.23	\$615.92	\$640.56	\$666.18	\$692.83	
Amazon Sales - CAD	\$84,410.06	\$87,786.46	\$91,297.92	\$94,949.84	\$98,747.83	\$102,697.75	
Amazon Sales - DE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Amazon Sales - UK	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Amazon Sales - US	\$4,429.29	\$4,606.46	\$4,790.72	\$4,982.35	\$5,181.65	\$5,388.91	
Amazon Sales - Vendor US	\$296,280.90	\$308,132.14	\$320,457.42	\$333,275.72	\$346,606.75	\$360,471.02	
Amazon Shipping Credits	\$55.65	\$57.88	\$60.20	\$62.60	\$65.11	\$67.71	
eBay Sales	\$128.74	\$133.89	\$139.24	\$144.81	\$150.61	\$156.63	
Other Sales							
Sales Tax	\$105,203.05	\$113,619.30	\$122,708.84	\$132,525.55	\$143,127.59	\$154,577.80	Adjusted this forecast due to large strides made in the last month
	\$900.97	\$937.01	\$974.49	\$1,013.47	\$1,054.01	\$1,096.17	
Shopify Promotional Discounts							
Shopify Sales	-\$75,824.89	-\$78,857.89	-\$82,012.20	-\$85,292.69	-\$88,704.40	-\$92,252.58	Placed in the income category as this deduction is taken from Shopify income before it is paid.
Shopify Shipping	\$229,626.86	\$238,811.94	\$248,364.41	\$258,298.99	\$268,630.95	\$279,376.19	
Walmart Sales	\$2,828.78	\$2,941.94	\$3,059.61	\$3,182.00	\$3,309.28	\$3,441.65	
	\$9,014.62	\$9,375.20	\$9,750.21	\$10,140.22	\$10,545.82	\$10,967.66	
Gross Income	\$661,576.02	\$692,247.18	\$724,481.84	\$758,369.47	\$794,005.27	\$831,490.59	
Expenses							
Amazon Adjustments	\$310.74	\$320.06	\$329.66	\$339.55	\$349.74	\$360.23	
Amazon Carrier shipping label adjustments	\$307.71	\$316.94	\$326.45	\$336.25	\$346.33	\$356.72	
Amazon Cost of Advertising	\$22,287.96	\$22,956.60	\$23,645.30	\$24,354.66	\$25,085.30	\$25,837.86	Marketing Activities inside Amazon Ads Platform.
Amazon FBA inventory and inbound services fees	\$1,047.04	\$1,078.45	\$1,110.81	\$1,144.13	\$1,178.46	\$1,213.81	
Amazon FBA product sale refunds	\$578.80	\$596.16	\$614.04	\$632.47	\$651.44	\$670.98	
Amazon FBA selling fees	\$4,941.32	\$5,089.56	\$5,242.24	\$5,399.51	\$5,561.50	\$5,728.34	
Amazon FBA transaction fees	\$9,619.89	\$9,908.49	\$10,205.74	\$10,511.91	\$10,827.27	\$11,152.09	
Amazon Promotional Rebates	\$26,372.51	\$27,163.68	\$27,978.59	\$28,817.95	\$29,682.49	\$30,572.96	
Amazon Refund administration fees	\$100.77	\$103.79	\$106.90	\$110.11	\$113.41	\$116.81	
Amazon Seller fulfilled selling fees	\$6,549.84	\$6,746.34	\$6,948.73	\$7,157.19	\$7,371.91	\$7,593.06	
Amazon Service fees	\$3,271.52	\$3,369.66	\$3,470.75	\$3,574.87	\$3,682.12	\$3,792.58	

Amazon Shipping credit refunds	\$59.54	\$61.33	\$63.17	\$65.06	\$67.01	\$69.03	
Amazon Shipping label purchases	\$2,057.54	\$2,119.27	\$2,182.84	\$2,248.33	\$2,315.78	\$2,385.25	
Amazon Vendor Base Co-Op	\$35,553.71	\$36,975.86	\$38,454.89	\$39,993.09	\$41,592.81	\$43,256.52	Amazon Vendor deducts this from our monthly sales (12%)
Amazon Vendor Damage Allowance	\$5,925.62	\$6,162.64	\$6,409.15	\$6,665.51	\$6,932.13	\$7,209.42	Amazon Vendor deducts this from our monthly sales (2%)
Amazon Vendor Marketing Expense	\$12,152.34	\$12,516.91	\$12,892.42	\$13,279.19	\$13,677.56	\$14,087.89	Amazon Marketing Activities outside of Amazon Ads Platform
Amazon Vendor Pick Up Allowance	\$8,888.43	\$9,243.96	\$9,613.72	\$9,998.27	\$10,398.20	\$10,814.13	Amazon Vendor deducts this from our monthly sales (3%)
Raw Materials	\$111,179.00	\$116,737.95	\$120,240.09	\$123,847.29	\$127,562.71	\$131,389.59	We will be purchasing a bit heavier than normal to make up for a deficit in raw materials pre-petition
Payroll	\$163,000.00	\$167,890.00	\$172,926.70	\$178,114.50	\$183,457.94	\$188,961.67	Payroll increases as product orders increase, necessitating more hours of production labor
Insider Compensation - Anthony Alcazar	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	
Insider Compensation - Ronald Alcazar	\$8,800.00	\$8,800.00	\$8,800.00	\$8,800.00	\$8,800.00	\$8,800.00	
Insider Compensation - Tony Alcazar	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	
Ebay Fees	\$82.19	\$84.66	\$87.20	\$89.81	\$92.51	\$95.28	
PayPal Fees	\$10.88	\$11.21	\$11.55	\$11.89	\$12.25	\$12.62	
Sales Tax Expense	\$1,801.85	\$1,855.90	\$1,911.58	\$1,968.93	\$2,028.00	\$2,088.84	
Shipping, Freight & Delivery	\$66,543.01	\$68,539.30	\$70,595.48	\$72,713.34	\$74,894.74	\$77,141.58	Direct to Customer Shipping Expenses.
Shopify Fees	\$3,895.35	\$4,051.16	\$4,213.21	\$4,381.74	\$4,557.01	\$4,739.29	
Shopify Refunds	\$2,145.46	\$2,209.82	\$2,276.12	\$2,344.40	\$2,414.73	\$2,487.18	
Walmart Fulfillment Services	\$1,172.77	\$1,207.95	\$1,244.19	\$1,281.52	\$1,319.96	\$1,359.56	
Walmart Adjustments	\$15.75	\$16.22	\$16.71	\$17.21	\$17.73	\$18.26	
Walmart Commission	\$816.16	\$840.65	\$865.87	\$891.84	\$918.60	\$946.16	
Walmart Refunds	\$74.23	\$76.46	\$78.75	\$81.12	\$83.55	\$86.06	
Auto Expense	\$1,200.00	\$1,236.00	\$1,273.08	\$1,311.27	\$1,350.61	\$1,391.13	
Car Lease	\$3,046.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	Company vehicles
Insurance	\$3,234.58	\$3,234.58	\$3,234.58	\$3,234.58	\$3,234.58	\$3,234.58	
Machinery Lease Expense	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	Equipment from Blue Bridge, Financial Pacific, and Pawnee (mercury). We are negotiating adjusted terms with them moving forward
Repair & Maintenance	\$2,000.00	\$2,060.00	\$2,121.80	\$2,185.45	\$2,251.02	\$2,318.55	
Outside Sales	\$13,100.00	\$13,100.00	\$13,100.00	\$13,100.00	\$13,100.00	\$13,100.00	Outside Salespeople to Generate "Other Sales" Revenue
Bank Charges & Fees	\$1,000.00	\$1,030.00	\$1,060.90	\$1,092.73	\$1,125.51	\$1,159.27	Wire Fees, ACH fees, monthly charges, etc.

Facebook Advertising	\$32,740.44	\$34,704.87	\$36,787.16	\$38,994.39	\$41,334.05	\$43,814.09	
Google Advertising	\$15,000.00	\$15,450.00	\$15,913.50	\$16,390.91	\$16,882.63	\$17,389.11	
Licenses & Fees	\$3,169.10	\$3,264.17	\$3,362.10	\$3,462.96	\$3,566.85	\$3,673.85	
Marketing Expenses							Includes email platform fees, and expenses related to client relationships
Moving & Storage	\$7,410.16	\$7,532.46	\$7,758.43	\$7,991.19	\$8,230.92	\$8,477.85	
	\$292.11	\$300.87	\$309.89	\$319.19	\$328.77	\$338.63	
Office Expenses	\$3,200.00	\$3,296.00	\$3,394.88	\$3,496.73	\$3,601.63	\$3,709.68	Miscellaneous expenses including: office supplies, break room, printer fees
Equipment Rental	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	Forklifts and other rented equipment
8134 Lankershim Rent		\$17,510.00	\$17,510.00	\$17,510.00	\$17,510.00	\$17,510.00	Currently negotiating With landlords for delayed rent payment to April 1st as we do not have access to our funds yet
1112 Arroyo St. Unit A		\$7,775.00	\$7,775.00	\$7,986.00	\$7,986.00	\$7,986.00	Currently negotiating With landlords for delayed rent payment to April 1st as we do not have access to our funds yet
1112 Arroyo St. Unit B		\$4,029.00	\$4,029.00	\$4,143.00	\$4,143.00	\$4,143.00	Currently negotiating With landlords for delayed rent payment to April 1st as we do not have access to our funds yet
1110 Arroyo St. Office		\$2,287.50	\$2,287.50	\$2,287.50	\$2,287.50	\$2,287.50	Currently negotiating With landlords for delayed rent payment to April 1st as we do not have access to our funds yet
1104 Arroyo St.		\$7,589.00	\$7,589.00	\$7,589.00	\$7,589.00	\$7,589.00	Currently negotiating With landlords for delayed rent payment to April 1st as we do not have access to our funds yet
Software Subscription License	\$1,469.50	\$1,513.58	\$1,558.99	\$1,605.76	\$1,653.93	\$1,703.55	Monthly applications that make up our tech stack, as our ecommerce revenue grows this expense also scales.
Travel	\$1,066.64	\$1,098.63	\$1,131.59	\$1,165.54	\$1,200.51	\$1,236.52	meetings, flights with customers and
Trade Shows			\$10,500.00	\$10,500.00	\$10,500.00	\$10,500.00	Shows to obtain distribution
Utilities	\$5,108.31	\$5,261.56	\$5,419.40	\$5,581.98	\$5,749.44	\$5,921.93	Power, Gas, Water, Trash
Adequate Protection Payments to SBA	\$1,237.00	\$1,237.00	\$1,237.00	\$1,237.00	\$1,237.00	\$1,237.00	
Adequate Protection Payments to Amazon Capital Services, Inc.	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	Adequate protection payment for Amazon's pre-petition loan subject to UCC-1 financing statement
Deborah Tyrell (Bookkeeping Services)- For Preparation of MOR	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	She worked with our previous case and understands our business

Amazon US Seller Account Payments	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	Estimated payable for pre-petition Amazon Fees.
Amazon Canada Seller Account Payments for pre-petition Amazon Fees	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	\$1,600.00	Estimated payable for the pre-petition Amazon Fees.
Law Offices of Michael Jay Berger (general bankruptcy counsel) - subject to court approval					\$20,000.00		
Office of the U.S. Trustee - Quarterly Fees (estimated)		\$7,493.23				\$8,643.71	
Total Expenses	\$624,435.74	\$692,154.43	\$714,316.66	\$754,456.82	\$761,999.84	\$774,565.02	
Net Income	\$37,140.29	\$92.75	\$10,165.19	\$3,912.65	\$32,005.43	\$56,925.56	

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
9454 Wilshire Blvd., 6th Fl., Beverly Hills, CA 90212

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S STATUS CONFERENCE REPORT; DECLARATION OF ANTHONY ALCAZAR IN SUPPORT THEREOF** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 3/28/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On 3/28/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on 3/28/2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Honorable Victoria Kaufman
United States Bankruptcy Court
Central District of California
21041 Burbank Boulevard, Suite 354 / Courtroom 301
Woodland Hills, CA 91367

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

<u>3/28/2024</u>	<u>Peter Garza</u>	<u>/s/Peter Garza</u>
<i>Date</i>	<i>Printed Name</i>	<i>Signature</i>

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
9454 Wilshire Blvd., 6th Fl., Beverly Hills, CA 90212

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S STATUS CONFERENCE REPORT; DECLARATION OF ANTHONY ALCAZAR IN SUPPORT THEREOF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

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Honorable Victoria Kaufman
United States Bankruptcy Court
Central District of California
21041 Burbank Boulevard, Suite 354 / Courtroom 301
Woodland Hills, CA 91367

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

3/28/2024

Date

Peter Garza

Printed Name

/s/Peter Garza

Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Counsel for Debtor: Michael Jay Berger michael.berger@bankruptcypower.com,
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cmamayson@thompsoncoburn.com, smagnus@thompsoncoburn.com,DocketLA@thompsoncoburn.com

U.S. Trustee: Katherine Bunker kate.bunker@usdoj.gov

Counsel for Sand Park: Brian T Corrigan bcorrigan@cormorllp.com, scm@cormorllp.com

Counsel for Spartan Business Solutions: Anthony F. Giuliano afg@glpcny.com

8fig Inc. John E Johnson jjohnson@padfieldstout.com

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United States Trustee (SV) ustpreion16.wh.ecf@usdoj.gov

2. SERVED BY UNITED STATES MAIL

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